

SYNERGY — CONTRACTS

1157. Hon Dr STEVE THOMAS to the parliamentary secretary representing the Minister for Energy:

I refer to the Synergy annual report 2023 tabled in the Legislative Council on 21 September 2023 and to the statement on page 9 by CEO David Fyfe that Synergy recorded a net loss before tax of \$732.6 million —

... predominantly due to onerous contracts of \$773.7 million, where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under the contract.

- (1) Which are the specific onerous contracts referred to by the Synergy CEO?
- (2) When were the onerous contracts entered into, what is the longevity of the contracts and who or whom authorised or signed off on the contracts?
- (3) How many of the onerous contracts are ongoing and what is the termination date of each of the contracts?
- (4) With Synergy as an entity now worth less than zero, will the minister review the \$267 million of financial viability payments allocated to Synergy in the 2023–24 budget?

Hon MATTHEW SWINBOURN replied:

I thank the member for some notice of the question. The following answer has been provided to me by the Minister for Energy.

- (1)–(3) Under the accounting standards, Synergy is required to recognise a provision for any contracts that have rising costs associated with their underlying operational contracts. These are non-cash accounting adjustments. As Synergy operates in a regulated competitive market with other market competitors, further details regarding contractual agreements are commercial-in-confidence.
- (4) No.